

**BOARD OF COMMISSIONERS  
PUBLIC HOSPITAL DISTRICT NO. 1 OF PEND OREILLE COUNTY**

September 26, 2019

In Attendance: Commissioners: Raymond King, Lynnette Elswick, Thomas Garrett, Lois Robertson, Terry Zakar; Tom Wilbur, CEO; Chief of Medical Staff, Jeremy Lewis, DO; Directors: Kim Manus, Walter Price; Chris Wagar, Controller, Casi Densley, Robert Rosencrantz, Rick O'Brien, Jenny Smith, Trina Gleese, and Nancy Shaw.

Excused: Directors: Lynn "Pete" Peterson, CRNA and Susan Schwartz, RN.

CALL TO ORDER:

Chairperson Raymond King called the meeting to order at 1:30 p.m.

READING OF LEGAL NOTICE:

The regular meeting legal notice was distributed as required.

APPROVAL OF AGENDA / CONSENT AGENDA:

The meeting Agenda, Auditors Report and Uncompensated Report were included.

The following consent agenda items were approved as presented by a motion made, seconded and passed.

Auditors Report: August 2019: Net Vouchers #213145 – #213539 and electronic warrants #2041 - 2062 in the amounts of \$1,314,683.34 and \$1,712,743.45, respectively, plus an automatic loan payment deduction of \$40,000 for a grand total of \$3,067,426.79.

Bad Debt/Charity Care: all-inclusive August District Write-off's for \$201,403.25.

APPROVAL OF PREVIOUS MEETING MINUTES

The regular August 22, 2019 meeting minutes were approved by motion made, seconded and passed.

BUSINESS FROM THE AUDIENCE:

Audience member, Rick O'Brien commented on the hospital HEAR radio system. During EMT training meetings with the Kalispell Tribe, Fire District 6 and South Pend Oreille County Fire/Rescue there were indications that the hospital radio system has been inoperable for a year. Rick received an offer from a former EMT to assist with repairs to the system. Rick noted that most people would consider cell phone service adequate; however, there could be emergent situations in remote locations requiring radio communication.

Jennifer Johnston commented that a new system is budgeted and agreed that potential safety risks exist. A quote has been obtained from a wireless system provider. Walter Price explained that the repeater is located on Cook's Mountain cannot be maintained on a reliable basis due to weather. Our IT department identified issues involving cables; the quote for the new equipment/system will include a sustainable, widely-used site. **A motion made, seconded and passed unanimously approved the purchase of a new wireless radio system to include equipment updates in an amount not to exceed \$5K.** Walter will provide the final cost details to the Board members when available.

Commissioner Elswick commented that she also learned that HAM radios will no longer be available; members of the Fire Districts and EMS are urging purchase of new radios in the event that cell service is unavailable – it was noted that cell service can be spotty. Pend Oreille EMS has ordered 4 radios that are both portable and include a base station with batteries, car charging port and vehicle antenna.

Audience member, Robert Rosencrantz commented that he was very impressed with the “majestic” appearance of the new ALF facility during the night time hours when the lights are on.

Chris Wagar announced that the Laboratory passed its routine 2-year survey/inspection with only two very minor infractions. Chris complimented Tina Batsch and her crew for their hard work and due diligence. Chris also thanked the Board members for approval of the new mammography unit. The room will be remodeled and updated to accommodate the new equipment in November.

### COMMITTEE REPORTS

Benefits Committee – Joseph Clouse, HR Director, presented a proposal from the District’s internal Benefits Committee, which was formed in March to conduct a review of the District’s employee benefits, with the intent to review the overall costs and perhaps provide more affordable options to our employees. He reviewed the results of the analysis that was performed and of an employee survey that was conducted after presenting the Committee findings in a series of All-Staff meetings.

Joseph shared results from a market survey conducted by Mercer, Inc., with comparisons provided for individual employee contributions (employee only), which are \$25-\$110 for UMP Classic; most of our employees pay approximately \$50/mos., compared with all hospitals of 500+ employees typically paying \$121/mos.; and healthcare facilities under 500 employees \$152/mos..

Joseph added that the District’s cost per-employee for medical benefits (including: dental/vision) in 2008 was \$532/mos.; today the cost is \$833/mos. – during that time the cost share to employees has remained fixed at the \$50/mos. (Employees with dependent coverage pay all of the additional costs to cover a spouse and/or children). Cost comparisons were shared; Joseph stressed that overall the Committee recognized the District offers a phenomenal, comprehensive benefit package. Note: current District cost to provide annual employee medical benefits is \$3.2M; of which, approx. \$457K is collected from staff, resulting in an adjusted (net) District cost of approx. \$2.8M.

Joseph explained that many formulas, options, and considerations were reviewed by the Committee members who considered all costs associated with employee benefits, including wellness incentives, AD&D, long-term disability, dental, and life insurance. The District carries two life insurance policies – PEBB and Sun Life. The cost is approximately \$100K for the Sun Life policy. The team diligently benchmarked data against industry Best Practice and national and regional hospital trends. Sick leave, PTO accrual, and the entire benefit package were considered.

The group also looked at industry standards for coverage options; Joseph explained that some companies carry a Health Savings Account, which typically requires a very large out-of-pocket expense/deductible. Other organizations have based premiums upon the health of the employee, which can be controversial. Joseph shared newsletters published by the Committee; these have been distributed in an effort to educate staff members, provide periodic updates and explain current benefit information.

On behalf of the Benefits Committee, Joseph submitted a new cost share proposal to the Board. He noted this was “rough” data, explaining the information reflects amounts employees are currently paying for benefits – which changes month-over-month as employees depart, change their plan, etc., and is based upon “what if” survey results conducted during/after our All-Staff meetings, which will vary from actual once open enrollment occurs in November.

The proposal includes raising individual employee’s cost share to 12% of premium (from \$50/mos. to approx. \$125/mos.) and adding a District cost share to spouse and children coverage to make it more affordable – dropping the employee costs in half for those additional coverages. Joseph noted the changes would result in an overall increase in District cost of around \$240K/year (based upon the survey estimates), but would increase the number of spouse/children covered under our District plans.

The Board members thanked Joseph and the Committee for their efforts. Tom W. added that the District covers the majority of costs for employee coverage and we were really trying to come up with a means to assist with the cost of covering families. Commissioner Garrett noted that our plan remains competitive as compared to our peer facilities.

Joseph requested tentative approval to discontinue the Sun Life policy and accept the proposed cost sharing plan. He noted our next steps will be to present the information to SEIU and the nursing staff. Joseph has kept SEIU apprised of the information, and has shared the Benefit Committee materials with SEIU. He explained that the Committee’s goal is to bring the proposal to the October meeting for final approval by the Board, as Open Enrollment occurs November 1. The Commissioners indicated no objections and approved of plans to move forward.

Doris Hiebert, RN commented that coordinating RN contract negotiation dates might pose a problem, but they were willing to work to get meeting dates established. Joseph explained that he spoke with the SEIU staff members and they are aware there is a deadline and also that the benefits topic will be the first item on the agenda. The proposal will be taken to the nurses for a vote on October 2. Tom W. indicated that we will accommodate any dates that SEIU selects for meetings.

Joint Conference/Planning – Dr. Lewis was not in attendance; therefore, there was no report.

Finance: Casi Densley, Controller, shared highlights for the month. Swing bed patient days in much higher in August at 138; this is attributed to the closing of LTC; she noted that July days were 44. Our average length-of-stay is 12; this resulted in an increase in revenue, along with 81 surgeries in August, the highest on record and 777 ER visits – the highest during 2019.

The Finance team is wrapping up the departmental budgets. The final and interim nursing home cost report (due: Nov. 30) will close out the 7-mos. period of operations ending July 31.

Casi stated that she is postponing any transfer requests from the Board Designated Fund to the General Fund until all outstanding expenses are finalized for the new AL facility. The final Kilgore Construction invoice was paid; there remains one outstanding \$45K change order.

Walter Price explained that the IT department is generating monthly reports from the VersaBadge system. These include provider charting, computer time and patient care hours. The program has

produced the first full month of data. Of note, there was 56% total standby time as compared to 37%. Walter is confident that the system will pay for itself in a very short period of time.

Tom W. explained that ED provider costs [professional component] is not cost reimbursed; however, if a provider is "available" and not seeing patients, the cost associated with that time is an allowable technical component cost eligible for cost-based reimbursement. Previously, tracking the time was a tedious, time-consuming process, which has been streamlined since implementation of the new VersaBadge system. Buzz added the providers have had no complaints and the discipline of badge-use is very high. The Board members thanked Buzz and Casi for the informative report.

Quality Assurance: Quality Manager, Jen Allbee provided an update and review of the quality data. ED visits are up for the year overall, with an average of 661 monthly visits year-to-date. ACU admissions were slightly lower in 2019 with an average of 32.9 - (excluding OB, swing bed and clinic direct admissions). To date, OB deliveries are 43; anticipated deliveries are 73 by year end. The OB department is producing promotional materials including a video of the physicians, highlighting their backgrounds and experience.

Jen announced the Quality department was notified of a second year funding opportunity from the Medicare Rural Hospital Flex program. Last year funds were used to purchase CPR meters. 11 of 18 critical access hospitals were awarded funds. To qualify, the facility is required to be in good standing with the MBQIP quarterly reporting standards. This year NHHS requested funding to assist nurses in maintaining labor & delivery skills and competency levels, which can be challenging in a rural setting with low birth volumes. NHHS was awarded funds for the purchase of a "Noelle" S-550 birthing simulator mannequin and supporting software. An additional 25 nurses can expect to benefit from the simulator training. Eventually, emergency medical technicians will participate in training.

Jen noted that over the past 5 years there were 343 deliveries at Newport. Of these, 12 patients were walk-ins with no prior prenatal care; 18 experienced post-partum hemorrhages at a rate of 5.2% (the National average is 2.4%). There were 6 emergency C-sections requiring surgical intervention prior to arrival of surgical staff, 3 unplanned breech deliveries and 1 shoulder dystocia.

Team training has been effective in instilling a safety culture in high acuity/low frequency OB events. The mannequin features a full sized body that simulates a newborn delivery, practice for intubation, CPR, and an iv/arm port for fluids. Also, Leopold's maneuver practice, multiple fetal heart sound monitoring, dilating cervix (that includes suture practice), post-partum hemorrhage simulation, and shoulder dystocia events. It also includes a full neonate body for practicing CPR and intubation.

Education modules will be created via My Net Learning for all RN's, including classes at the Education Center for clinical providers and medical students. The mannequin will be used for annual skills review and unannounced emergency drills.

Jen thanked Pend Oreille Ambulance Service for providing a letter of support for the project. The equipment will arrive in 4-6 weeks. Periodic updates and training outcomes will be provided to the Dept. of Health with funds being released in July 2020. Jen explained that the total cost for the mannequin exceeds the capital purchase threshold amount; therefore, she requested Board approval for the purchase of the mannequin and associated equipment. Jen also plans to submit this project to the Washington Rural Quality Every Day Extraordinary Award.

**A motion made, seconded and passed unanimously approved purchase of a labor and delivery mannequin simulator and software to include freight and tax in the amount of approximately \$5,300 (to be refund via grant).** The Board members thanked Jen for her presentation.

#### SUPERINTENDENT REPORT

2019-20' Strategic Planning outlines: Tom W. provided the Board with binders that included: District financial history recap 2004-19; rough draft future capital planning forecast 2020-25'; and a staffing/FTE trend analysis – also from 2004-19. Tom encouraged the Board members review and maintain the materials as we continue our 2020 business planning. Tom summarized the financial information and noted the 2004 “baseline” was pertinent as it included the point at which our clinics (2003) and River Mountain Village were all consolidated under the District umbrella. The District has operated in its same basic form for the past 15 years.

Tom highlighted some historical recap/notes: he reviewed the balance sheet and big ticket/capital investments, new debt, cash/assets trends, and total days cash-on-hand, which have progressed very nicely over the past 10 years with continued investment in our facilities. He pointed out the trends/graphs of revenues, total operating expenses, capital & principal payments and total debt, salary & benefit trends and FTE's-Wages-Benefits.

He also overviewed the 2020-25' capital forecast by recapping our 2014 capital/finance forecast [for the 2015-19' period, when we embarked upon our clinic and RMV-AC expansions] and comparing that with against our actual results. Tom noted that the 5-year forecast was designed to be somewhat conservative as we had a number of financial and legislative unknowns pending in 2015. Summary 2014-19' forecast findings: we met capital targets – building the clinic and RMV – though capital outlays were higher than projected (as we purchased additional properties with the clinic to add parking and finished the 4<sup>th</sup> neighborhood in RMV). Our debt/financing was spot on and our expected financial reserve/cash balances ended \$4.0M higher than projected – mostly due to the conservative estimate used for 340B funding. Tom noted the forecast model is a somewhat simplified tool, but is very effective for trending our historic and future operations. We will update as we complete our capital planning in 2020.

Future discussion topics: Tom explained that we will continue to explore our “shift to value” and what that might entail for creating our health home and treating patients in the community. Our 1115 Waiver program required integration of behavioral health and chemical dependency services in a coordinated manner – what was previously DSHS funded is now included under the HCA funding umbrella. We are contracting with POCCS in an effort to provide these vital services.

Discussions with providers and the finance and capital planning team will occur to address the many questions to be considered. A plan will be presented to the Commissioners in the near future in an effort to open lines of communication and exchange ideas. We must partner with POCCS to contemplate means to provide behavioral health, chemical dependency, and crisis treatment. The State lacks a comprehensive plan to alleviate disparities, so local solutions will need to be created; there are no other resources available to manage this population.

Facility space analysis and overall capital projects will be analyzed - Tom noted our existing Circa '58 building does not meet current building codes and will raise the question whether we use/remodel existing building or demolition and build with new construction costs, etc.. However, based upon our financial trends we should continue to maintain free cash flow sufficient to provide us with a great deal of opportunity.

Recruitment – Dr. Lisa Matelich has committed to begin her family practice here in 2020, most likely in Oct./Nov.. Her residency included BH/CD, which has become increasingly integrated with PCP's.

Tom has been working with an OB/Gyn MD who plans to provide gynecological services in the clinic and hospital two days per week – beginning in March. (His practice will not include OB or on-call).

We also have received an inquiry (via Dr. DiBenedetto) about a candidate interested in providing limited ortho/spine services. This is a semi-retired MD who desires the quality of life our area has to offer – he will be here to meet providers and interview on October 8.

A Board retreat will be scheduled in the near future. Tom encouraged the Board members to review the material and consider questions and suggestions for strategic initiatives, capital plans, provider recruitment, service line and sub-specialty augmentation, etc. Various ideas have been suggested – i.e. a Residency Program, integration of systems, BH/CD Specialty Clinic/OP treatment, expansion of ED space, etc.

### **ACTION ITEM AGENDA**

**Surplus Property – 3 Kyocera Copy Machines** – the copiers have been taken out of service and following attempts to move them through brokers, dealers, etc. it was determined there is no secondary market value. There is no board approval or action required – the surplus of these items is for informational purposes only.

**Capital Purchase – Security Camera Server** – A motion made, seconded and passed unanimously authorized the emergency purchase of a security system rackmount recorder in the amount of \$15,812 (including tax). Walter commended the IT staff for their efforts in providing a temporary repair of the existing security server and operating system.

**Changes to District Cost Share Program** – This item was discussed earlier in the meeting and will be brought back at a future meeting (with 2020 budget updates) for further review/approval.

### **OTHER BUSINESS:**

The Annual Women's Health Seminar will occur on October 26, 2019 at the Priest River Events Center. The free event will include inspiring women's health speakers, a luncheon and special closing presentation.

### **EXECUTIVE SESSION**

As permitted by RCW 41.05, the meeting was moved to Executive Session at 3:25 pm. for approximately 20 minutes to discuss credentialing matters.

RETURN TO OPEN SESSION

The Commission returned to Open Session at approximately 3:40 pm. Per recommendation of the Medical Staff Executive Committee, the Commissioners approved:

Provisional Appointments:

Radiology:

Charles Alder, M.D.  
Paige Flett, M.D.  
Oksana Prychyna, M.D. – (Off-site)

Emergency Medicine:

Vincent Hunstberger, MD  
Mary Logsdon, M.D.

Courtesy Reappointments:

Off Site Tele-neurology:

David Bauer, M.D.	Sarsfield Dougherty, M.D
Adam Benson, M.D.	James Eaton, M.D.
Joel Brake, M.D.	Paul Eikens, M.D
Jeffrey Clarke, M.D.	Mark Elliot, M.D.
Richard Dahlen, M.D.	David Keaton, M.D.
Kyle Dale, M.D.	Ngoc Luu, M.D.
Anthony D'Amico, M.D.	Mark McVee, M.D.
Garrett DeJesus, M.D.	Matthew Mesick, M.D.
Jacob Pickering, D.O.	Jason Vergnani, M.D.

Resignations:

Christopher Ramage, D.O. – Emergency Medicine – Effective June 1, 2019.

NEXT MEETING DATE

The next regular meeting of the Commission will occur on Thursday, October 24, 2019 at 1:30 pm.

ADJOURNMENT

There being no further business, the meeting adjourned at approximately 3:45 pm.

Minutes recorded by Nancy J. Shaw, Administrative Assistant and Tom Wilbur, CEO.

  
Raymond King, President  
Board of Commissioners

  
Lynnette Elswick, Secretary  
Board of Commissioners-